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8 UNITED STATES DISCRICT COURT FOR THE DISTRICT OF NEW JERSEY

9 CAMDEN DIVISION

10 HARTORD MUTUAL INSURANCE
11 COMPANY,

12 Plaintiff,

13 vs.

14 Z&D REALTY, LLC, AND DENNIS
15 COSBY, AND EUGENE COSBY, AND
16 TERRY R. MAYES, AND ZIGGY
17 DOBKOWSKI, AND DIANE
18 DOBKOWSKI, AND RAHEEM
19 MCCLENDON

20 Defendants

21 And

22 Z&D REALTY, LLC and ZIGGY
23 DOBKOWSKI and DIANE DOBKOWSKI

24 Defendants/Third Party
25 Plaintiffs

26 vs.

27 BIONDI INSURANCE AGENCY, INC.,
28 and ANATOLY SAKHAN

Third Party Defendants

Case No.: 1:19-cv-01583

AFFIDAVIT OF MERIT

1 STATE OF NEW JERSEY:

:ss

2 COUNTY OF OCEAN:

3 James R. Klagholz, CPCU, of full age, being duly sworn according
4 to law, upon my oath dispose and say:

5
6 1. My name is James R. Klagholz. I am an independent insurance agent, duly
7 licensed by the State of New Jersey as an insurance producer, pursuant to N. J. S.
8 A. 17:22A-1 et seq., and I am qualified to transact business in all lines of
9 property and casualty, life and accident and health insurance, and have been so
10 qualified for at least five years. I am also licensed as a non-resident producer in
11 the Commonwealth of Pennsylvania. For at least five years, I have practiced full
12 time as an insurance producer.

13
14 2. I currently hold the position of President of Clayton N. Sterling Associates, Inc.
15 an independent insurance agency and consulting firm located at 1712 Boulevard,
16 Seaside Park, NJ 08752. My responsibilities include overall management and
17 operation of an independent insurance firm, including supervision of
18 underwriting activities, policyholder services, claim settlement practices, and
19 other insurance activities related to the procurement of all forms of insurance.
20 In addition to my experience in general insurance agency practice, I provide
21 consulting and risk management services to commercial entities. In doing so, I
22 evaluate issues involving insurance policy terms and conditions from an
23 underwriting and claims handling prospective, and in the handling of renewal
24 placement coverage.

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26 3. My resume is attached as Exhibit A and made a part of this Affidavit of Merit.

27 4. I have reviewed certain documents in this matter, including Plaintiff's Complaint,

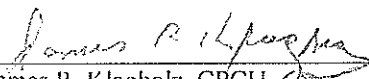
28 Hartford Mutual Insurance Company policy # 9157994 for the period January 3,

1 2017- 2018, showing the occupancy of the subject property as an apartment
2 building with four (4) apartments and office/mercantile buildings or premises
3 leased to other with an exposure basis of 4,067 square feet of space excluding
4 the four (4) apartments, November 1, 2017, notice of non-renewal effective
5 January 1, 2018 for reason that, "The insured no longer meets underwriting
6 guidelines due to unfavorable loss experience", Third Amended Complaint in
7 the underlying matter of Dennis Cosby, Eugene Cosby and Terry R. Mayes v.
8 Grant Plaza, et al., and Third Party Complaint in the matter of Z&D Realty, LLC
9 v. Biondi Insurance Agency, Inc., and Anatoly Sakhan.
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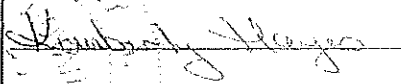
11 5. Based upon my review and understanding of the underlying transactions in
12 arranging and renewing certain insurance coverage on behalf of Z&D Realty,
13 it is my opinion that there exists a reasonable probability that the skill, care,
14 knowledge and diligence exercised by Third Party Defendants, Biondi Insurance
15 Agency and Anatoly Sakhan fell outside acceptable standards of care of
16 insurance producers when acting under facts and circumstances similar to those
17 present here.
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19 6. I have no financial interest in the outcome of the matter under review.
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1 Dated this 22nd of May 2019.

2
3 
4 James R. Klagholz, CPCU
5 Clayton N. Sterling Associates, Inc.
1712 Boulevard
Seaside Park, NJ 08752

6 Sworn and subscribed
7 before me this 22nd day of
May, 2019

8 
9
10 **KIMBERLY A. HAYES**
11 **NOTARY PUBLIC OF NEW JERSEY**
12 **My Commission Expires 4/30/2023**